DEMOCRATIC
# GERMAN REPORT

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# PUZZLE: Who is the Man at the Back?

This jolly nazi group photograph was taken in 1941 at Peenemunde, Hitler's "secret weapon" research centre, where Wernher von Braun later produced the V1 (the flying bomb) and the V2 (the long-range rocket) which brought so much death and destruction to London in the later stages of World War Two.

The gentlemen in uniform in the front row, reading from left to right are:

**General Emil Leeb,** chief of the army armaments office, today a writer on military subjects in West Germany.

**General Fritz Todt,** nazi arms minister, the man who conscripted millions of foreign slave workers for the arms industry. He was killed in a flying accident in 1942; if he had survived the war he would have been in the dock at the Nuremberg Trial.

**General Walter Dornberger,** military boss of nazi secret weapon research, responsible for the V1 and V2 projects. He is today a top rocket expert in the USA, like Wernher von Braun.

**General Friedrich Olbricht,** Wehrmacht General Staff officer. In the closing stages of the war Olbricht decided that Hitler could not win the war for Germany, and was executed by the nazis after the 1944 "bomb plot".

But who is the smiling gentleman in civilian clothes in the left background, obviously tickled to death at being photographed in such distinguished company? It is none other than Heinrich Lübke, today President of the West German Federal Republic. During the war he was manager of the Berlin construction firm which built the Peenemunde weapon research station for the nazis. Like all other military projects in wartime nazi Germany, Lübke's firm employed large numbers of slave-labourers from all over Europe, men and women who had been dragged from their homes to make the world safe for Hitler.

# W. Germany's "Hard-Core" Politicians

## Western Journalist Names Names

*(At present a group of West German politicians are trying to hamper all attempts to find a new and more fruitful German policy, the experienced western journalist Sebastian Haffner recently noted. Haffner, who was for many years West German correspondent for the London "Observer", is now writing regularly for the West German big-circulation weekly "Stern". The article reproduced below was published in "Stern" on January 26th)*

It is a pity that Willy Brandt (West Berlin's mayor, ed.), after finding the courage to negotiate with the GDR and achieving an initial success, cannot now find the courage to admit — or rather to proclaim loudly and proudly — that this is a new start in German policy.

Of course it is a new policy, and thank God it is a new policy. Brandt was the first to break through to this one possible, sensible and saving policy and this makes him the German politician from whom the most can be expected. Even more to his credit, he has broken away from past mistakes.

Since the beginning of 1964 a group of politicians has appeared in Germany who want to make a programme out of their past errors. They must not be capitulated to.

Significantly enough, two of their most important spokesmen are the two weakest Ministers in post-war Germany: the two ex-Ministers for All-German Affairs, Ernst Lemmer and Rainer Barzel.

During the years when these men were responsible for holding Germany together, the walls dividing Germany and the Germans have grown insurmountable and the two provisional German states have become accustomed to confronting each other not just as strangers but as enemies.

Lemmer and Barzel may not have wanted this, but they did not prevent it and they helped to produce this situation by pursuing a cold war policy towards the GDR which openly aimed at destroying it. They were paid back in their own coin.

The policy of pushing German division to extremes, on lines laid down by Adenauer but eagerly pursued by Lemmer and Barzel, consisted not only of ignoring the other partial German state but also of denying its existence. Denying something which existed could only mean that the other German state was to be blotted out without trace, destroyed.

If this were possible — all right. But it was impossible, so such a policy of openly declared destruction could only lead to the very hardest, sharpest and most hostile form of division.

Could the other German state have been wiped out? Adenauer initially thought that he could do it through alliance with America and through German rearmament. He calculated that America was industrially stronger than Russia and had the monopoly of the atom bomb. If German divisions could compensate for Russian superiority on land, Russia would be forced to retreat unilaterally from Germany and the GDR would disappear.

But for years now everybody, including Adenauer, Lemmer and Barzel, has known that these calculations were wrong and would remain wrong. The nuclear balance had seen to that.

Was there any other possibility? Some politicians or political gamblers worked out another, much more adventurous calculation: if it were possible to make the Bundeswehr stronger than the Russian troops on German soil, and if the Bundeswehr got its own atomic weapons, then — according to their speculations — the GDR could perhaps be abolished in a limited war even under the conditions of nuclear balance. So they speculated on an uprising in the GDR, Russian intervention, West German intervention, a final victorious fight to the finish with conventional weapons between the Elbe and Oder rivers — and then a peace offer with the threat of nuclear world destruction as the alternative.

This was always a naive idea. Cool consideration shows it to be a recipe for nuclear suicide for the Federal Republic rather than for the conquest of the GDR. But apart from that it is quite clear today that the two conditions necessary to carry out the plan cannot be achieved. The Bundeswehr cannot be made stronger than the Russian Army in Germany, and the Federal Republic will not get its own nuclear weapons.

This also makes it clear that the GDR cannot be wiped out by force. Lemmer and Barzel know this, too, and if they claimed the contrary they would be deliberately lying.

But what do they mean when they demand that the Federal Republic continue to deny the existence of the GDR and to reject any agreements with the GDR which could ease tension, encourage rapprochement and, in the end, result in reunification? There can no longer be any question of destroying the GDR; this has become impossible. All that Lemmer and Barzel can now say is: We intend to keep Germany divided as sharply and as unpleasantly as possible; we intend to continue aimlessly setting German against German. We shall not admit mistakes and we shall cling to past errors.

That is the policy which Lemmer and Barzel dare to present to the public. They act like doctors who have made a false diagnosis and prescribed the wrong medicine, but insist with childish obstinacy and injured pride on making the patient worse by continuing with their wrong treatment and clearly harmful medicine.

And the patient they are treating is the German people, whom they have sworn to foster and protect.

The Germans let their politicians get away with too much.

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# Another Minister Bites Dust

## Nazi Judge Has To Go

West German Chancellor Ludwig Erhard suspended cabinet member Hans Krüger from his duties on January 22nd, seven weeks after the GDR presented documentary evidence that he had been a Nazi Party official, and judge in occupied Poland. Krüger, who was "Minister for Refugees", sent in his resignation on February 1st.

(A full report of Hans Krüger's murky past was given in GERMAN REPORT on December 13th 1963, and further details in the January 24th issue.)

Here is a summary of the events which led to Krüger's suspension:

**November 25th 1963:** The Chief Prosecutor of the GDR wrote to West German Chancellor Erhard, informing him that documentary evidence of Krüger's nazi record was available for inspection in East Berlin. Erhard ignored the offer to inspect the evidence before it was made public.

**December 6th 1963:** The evidence, consisting of original nazi files showing that Krüger had been a district chief of the Nazi Party organisation, and a judge in a Special Court in occupied Poland, was shown to the international press at an East Berlin press conference.

A West German Government spokesman, on the same day, described the disclosures as "the usual propaganda attacks, untrue accusations solely intended to defame a Federal Minister." Krüger himself stated: "I never acted as judge in a Special Court: thus I could never have taken part in passing death sentences."

**January 6th 1964:** Confronted with photostats of the original documents, Krüger stated that they were genuine. ("Spiegel", West Germany.)

**January 13th 1964:** The official Bonn Government spokesman claimed that Krüger had been "only a nominal member of the Nazi Party", and that there was no question of his leaving his ministerial post.

**January 22nd 1964:** The West German news weekly "Spiegel" published an interview with Krüger in which he stated: "I cannot remember any death sentences, or my participation in death sentences. You know, death sentences, they are something which a judge passes as part of his routine. What can I do? It may come out one day that I did participate in a death sentence. And I had completely forgotten that I had been named deputy presiding judge of a Special Court."

**January 22nd 1964:** Chancellor Erhard suspended Minister Krüger from his duties, and promised a "thorough investigation".

* * *

Political observers in Bonn believed that Chancellor Erhard had taken the step of ridding himself of Krüger in order to preserve the "image" of the new Bonn cabinet as less nazi-tainted than Chancellor Adenauer's various cabinets since 1949. Adenauer's 1953 cabinet had the distinction of containing two fully fledged SS officers; his 1957 cabinet was distinguished by the presence of Theodor Oberländer, nazi storm troop major who was dropped in May 1960 after being sentenced to life imprisonment for war crimes by a GDR court. Throughout Adenauer's term of office he retained as his State Secretary and chief adviser Hans Globke, the man who drafted the nazi anti-Semitic laws.

Most West German newspapers greeted Erhard's decision to get rid of Krüger. The conservative newspaper "Die Welt" commented:

"The Communists in East Berlin have, for the second time, been able to shoot down a minister from the Federal Cabinet. Four years ago it was Theodor Oberländer, also Refugee Minister, and two years ago Wolfgang Fränkel, the Federal Attorney General, was also forced to go under the pressure of authentic material which unfortunately also came from the Soviet Zone (GDR, ed.)."

An official spokesman of the West German Social Democratic Party welcomed the fact that Krüger had been suspended, but simultaneously criticised the GDR for allegedly "keeping the nazi archives secret" and not disclosing information about incriminated old nazis until they reached high positions.

Replying to this charge, an official GDR spokesman pointed out that the GDR had repeatedly offered to make the material available to properly authorised West German investigators, but that all such offers had been ignored.

It was pointed out in Berlin that the West German authorities would have had no difficulty in discovering details of Krüger's activities in the nazi period if they had been interested; fullest documentary details of his Nazi Party membership and posts, from the date when he joined the party in 1933 until his appointment as local Nazi Party boss of the Polish town of Chojnice during the war, are on file in the US Document Centre in West Berlin, which is freely available to official West German investigators. Krüger himself noted in an autobiographical note which he wrote for the official Handbook of the West German Parliament (1958) that he had been a wartime judge in Chojnice.

**Footnote:** *GERMAN REPORT first drew attention to Hans Krüger's nazi past on October 27th 1961 in a short paragraph reading: "Hans Krüger — Senior judge in nazi court in Chojnice, occupied Poland. Now president of the aggressive 'Association of Refugees' organisation in West Germany."*


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# PLAN REPORT FOR 1963

Industrial production in the GDR rose by 4.9 per cent in 1963, according to official figures published on January 26th. Here are some details from the 1963 plan report:

## Industry

The biggest increases in production were in the chemical industry (6.8 per cent), the electro-technical industry (6.8 per cent) and the machine tool industry (7.1 per cent). The overall increase was achieved with fewer workers and improved labour productivity (6.5 per cent). Electric power capacity increased by 652 million kilowatt hours and the amount of lignite mined by 4.1 million tons.

## Construction

Investments in building increased by 400 million marks, (2.5 per cent); 40 per cent of investments were in industrial construction. 75,000 new dwellings were completed, 29 per cent with central heating, 38 per cent with constant hot water and 70 per cent with built-in kitchens. A further 56,000 dwellings are in process of building.

## Agriculture

Crop yields went up and livestock increased, with the exception of cows. The biggest increases were in table poultry (34 per cent) and slaughtering cattle (11 per cent). The supply of milk increased by 6.3 per cent and of eggs by 7.1 per cent. Oil seed yields were only just over three quarters of the planned figure, as a result of the hard winter.

## Transportation

16 million tons more freight were moved in 1963; the biggest increase was in inland and ocean shipping freight (10 per cent). 15 new freighters went into service, bringing the total number of GDR ships up to 97.

## Foreign and Inner-German Trade

Total turnover was over 20 thousand millian marks in 1963; export accounted for 11.2 thousand million marks (13.3 per cent more than in 1962). Exports to socialist countries increased by 15 per cent and to capitalist countries by 10 per cent. Trade with the African, Asian and Latin American countries developed well. Trade with West Germany and West Berlin increased by 2.6 per cent.

## Commodity Sales

100 million marks' worth more goods were sold in 1963. People ate 4 per cent more meat, 3 per cent more butter, 12 per cent more animal fats, 6 per cent more eggs and drank 4 per cent more milk and 5 per cent more coffee.

Turnover in clothing was not as high as planned and the variety, quality and prices will have to improve.

There was a big increase in the supply of industrial consumer goods. 38 per cent of households had a TV set, 18 per cent a washing machine and 16 per cent a refrigerator in 1963.

## Education and Culture

Three quarters of all children in the GDR who finished primary school last summer went on to ten-year or twelve-year high schools.

There were 256,500 students, including 65,500 women, studying at technical colleges and universities in the GDR in the 1963/1964 college year. 17,400 students graduated from university and 48,800 from technical colleges last summer.

Theatres in the GDR gave 27,000 performances to audiences totalling 13 millions in 1963.

More than a million people took holidays organised by the trade unions in the GDR last year. The German Travel Service organised 224,000 holidays in the GDR and about 285,000 trips to socialist countries. More than 300,000 foreigners spent their holidays in the GDR.

# Bonn's Apartheid Ministers

West Germany's Ambassadors in South Africa cannot possibly be accused of pursuing two-faced diplomacy, "Vorwärts", official weekly organ of the West German Social Democratic Party, commented on January 15th. They have come down four-square on the side of the racialist policy of the Verwoerd government.

"Dr Hendrik Verwoerd, who studied in Germany, and then watched the early deeds of the National Socialists in Leipzig, Berlin and Hamburg, must be fully satisfied with them," the paper stated.

"Hans Ulrich Granow, who in the meantime has been moved as Ambassador to Stockholm, stated in a press release in 1961 'that the friendship between our peoples will always become firmer in the face of the storms of today'. Ambassador Granow chose just the time of the Sharpeville massacre, and the resultant world protest, to assure Verwoerd and the racialist fanatics of this friendship.

*(GERMAN REPORT adds: Granow served in high posts in the nazi diplomatic service throughout the Hitler era.)*

"Granow's successor, Karl Kuno Overbeck, who was called back to Bonn in 1963 to serve in the cultural department of the Foreign Ministry, did his best to emulate Granow. Addressing the 75,000 overseas Germans between Pretoria and Capetown through the pages of the racially-aware 'Afrika Post' (German-language newspaper, ed.) he stated:. 'It is only right and proper to wish to defend South Africa against the shadows arising in the background. The Embassy will stand by you in this.' Overbeck forgot to note that the threatening shadow is exclusively the result of Verwoerd's race policy.

"And he also overlooked the fact that the Bonn Government could scarcely instruct its embassy and its consulates in South Africa to encourage overseas Germans to take part in a campaign against the United Nations, the supporters of Albert Luthuli, the Nobel Peace Prize winner, or the representatives of the independent African states.

*(GERMAN REPORT adds: Overbeck entered the nazi Foreign Ministry in 1934. He was a member of the SA, the brown-shirted storm troops.)*

"Dr Werner Junker, who for the past few months has occupied the post of Ambassador in Pretoria, has so far refrained from making similar statements."

*(GERMAN REPORT adds: Junker's restraint is rather surprising. He served in the nazi diplomatic service throughout the Hitler era, and joined the Nazi Party in 1935 with membership No. 2,549,901.)*

# EAST GERMAN MIRACLE

*By Hans Apel, Professor Emeritus of Economics, University of Bridgeport, USA*

*(Professor Hans Apel has spent the past two years investigating economic developments in the two German states. He presented some of his findings in an article printed in the November 1963 issue of "Challenge", economic affairs magazine published by New York University. A major portion of the article is printed below; for reasons of space some of the more technical passages have been omitted. GERMAN REPORT does not identify itself with all of Professor Apel's observations or conclusions.)*

Hardly anyone on this side of the Berlin wall will concede that an economic miracle may have taken place in East Germany. The mere suggestion, in fact, is greeted with surprise, even anger. Here in West Germany, and particularly in West Berlin, everyone believes that the eastern part of the fatherland is a poorhouse. This preconception encourages West Germans to believe that total collapse of the East German Communist economy is near at hand.

Wishful thinking breeds on press reports, both foreign and domestic. On picking up the "New York Times" in West Berlin, for instance, I read a dispatch characterizing the East German economy as stagnant. An hour or so later, a West Berlin taxi driver, pointing to the red tower of the East Berlin city hall, remarked that "those guys over there are now getting quickly to the end of their rope which they can use to hang themselves."

Anyone with a valid passport, except West Berliners, can go to East Berlin without difficulty and ascertain for himself how things are "over there". My first visit to East Berlin was merely to satisfy the curiosity of a tourist. No doubt there is a great difference between the two parts of the city, and yet I felt that the newspaper and magazine reports concerning the dismal misery to be found in East Berlin were greatly exaggerated. Subsequent visits confirmed my first impression, and I began to wonder whether the relative well-being I noticed in East Berlin prevailed in East Germany also.

I hesitated at first about going to the German Democratic Republic. I had heard that the Communists granted travel permits only to people who had close relatives in East Germany or went on guided tours.

"You can be sure," I was told by West German friends, "that you will never be outside Communist control, and you will be quite unable to move about freely and talk frankly with people."

Nevertheless, I applied for a visa, and though it was refused several times, I persisted in my quest. Finally, to my surprise, I obtained an entry permit and was able to roam around East Germany in my car in full freedom. I talked with people on the roadside, in the fields, on city streets, in restaurants.

What I saw and heard in East Germany was, on the whole, similar to my East Berlin impressions. The German Democratic Republic is "poor" compared to prosperous West Germany, but compared to scores of other countries East Germany is relatively prosperous. The people are adequately fed and clothed and there is no evidence of acute poverty or economic distress. Even the most outspoken opponents of the Communist regime admitted that the sick received excellent medical care free of charge and that able students were eligible for government educational grants.

As for the economy, it was far from stagnant. New buildings are rising and dilapidated houses are undergoing extensive repairs and modernization. Large new industrial developments could be seen everywhere. Great cities such as Dresden and Magdeburg, which had been almost totally destroyed by wartime bombings, are in process of feverish re-building. All this activity convinced me that East Germany is now going through a period of massive reconstruction which occurred in West Germany in earlier postwar years and gave her an appearance of wellbeing perhaps unequalled anywhere else in Europe.

Perhaps the reconstruction of East Germany is less obvious to the casual observer because thus far capital investment has been emphasized rather than the development of the consumer economy. As a result, many visitors make the mistake of equating the relatively drab atmosphere with poverty.

Most West Germans believe that the people in East Germany are hungry and poor. This distorted view is derived from Western newspaper accounts which magnify negative reports while suppressing information about positive achievements. We in the West are particularly misinformed concerning the political attitudes of the Germans living under communism. The continuing attempts of a few to cross the Berlin wall at the risk of their lives is played up as proof that life is unbearable for everyone except high Communist officials. Consequently, Chancellor Adenauer expressed the prevailing West German belief when he said that at least 95 per cent of the East Germans "hate the regime and hope for early liberation."

My personal observations, as well as frank talks with many people from all walks of life, contradict these extreme views. True, grumbling about the acute meat shortage was general until conditions improved a few months ago. A great many workers still resent the increased work norms decreed last year. A large number of East Germans, mostly older people, are inimical to communism as a matter of principle. But among young people, there are as many advocates as outspoken opponents of the Communist order.

My best and most carefully considered guess is that at least 20 per cent of the East Germans staunchly support the Communist regime and are satisfied with their position in

life. Another 35 to 40 percent accept the status quo, although they have some misgivings about economic policies pursued by the communist regime. The remainder of the people are strongly opposed to the government, but only a minority of these is critical of the lack of personal and political liberty under communism.

In summary, I would estimate that perhaps close to 60 per cent of the East Germans have accepted the existing political and economic order. At the same time, perhaps 80 per cent of the East Germans, political considerations aside, would prefer to live under the more affluent economic conditions prevailing in West Germany.

My most fundamental disagreement with the prevailing Western view of East Germany concerns the causes of the disparate economic development evident in the two Germanies. I could find no persuasive evidence that the Communist system per se, either through its denial of human freedom or the bureaucratic methods of centralized planning, was responsible for the less satisfactory performance of the East German economy. Quite the contrary! The evidence strongly suggests that only ruthless Communist methods made the expansion of the East German economy possible despite overwhelming odds. Convincing statistical evidence shows that the lagging performance of the country's economy was due primarily to the burdens of Soviet occupation and the reparations payments of the early postwar years rather than the inherent defects of communism.

On the other hand, humanitarian considerations prompted considerable American help to West Germany's impoverished, starving population right after the war's end. Also the policy of dismantling plants was promptly abandoned by the Western Allies as cold war conflicts flared up. Starting in 1948, the Marshall Plan provided assistance on a sufficiently large scale to overcome quickly the major initial hurdles to recovery. Thereafter, the newly gained momentum fed on itself until the entire economy was reconstructed.

Things went differently in East Germany, which was occupied by the victorious Soviet army. In contrast to the U.S., the Soviet Union was itself greatly impoverished by the war and had neither the resources nor the inclination to assist in the rebuilding of East Germany. Naturally enough, the Soviets were primarily interested in reconstructing their own economy and their policies were directed toward the achievement of this foremost objective. This Soviet attitude had far-reaching effects upon the East German economy for a number of reasons.

Immediately at war's end, East Germany was subjected to a general requisitioning and pillaging of practically everything that seemed useful to the Soviet occupation authorities and their soldiers. The loss of most stocks of goods, semi-finished materials and raw materials dealt a crippling blow to the economy.

The dismantling of large industrial plants — which had been agreed upon by all the victorious powers — was systematically and ruthlessly carried out in East Germany. As a consequence, the prewar industrial capacity of East Germany was reduced by almost 50 per cent on top of a 25 per cent decrease due to war destruction.

The direct occupation costs in the Soviet zone were about one third higher than comparable costs in the British and French zones.

By agreement among the Allies, the Soviets were to receive reparations worth about 10 billion marks, (American billions — one thousand million, ed.), but because of entirely arbitrary methods of accounting, the actual reparations received by the Soviet Union were many times greater.

East Germany suffered additional large losses from the need to import iron ore and coal as well as other raw materials from Russia at arbitrarily high prices, while East German goods were sold to the Soviet Union at correspondingly low prices. These discriminatory practices were ended only in 1957.

The East German economy was crippled by heavy burdens during the early postwar years when West Germany made her most spectacular advances. The widening gap in the standard of living of the two Germanies induced many East Germans to flee westward. The prevalent Western belief that the exodus of four million people from East Germany was solely motivated by political and ideological opposition is a self-serving rationalization which makes a rule out of the exception.

Thus far, attempts to estimate the damage suffered by East Germany and the gain accruing to the economy of West Germany from the huge migration have proved abortive because of faulty methodological and statistical approaches. And yet a rather reliable method does exist for estimating the total loss or gain resulting from the mass transfer of labour, skills and knowledge.

Taken as a group, the refugees possessed above average qualifications. Sixty per cent found gainful employment, compared to the normal average of about 45 per cent of the entire West German population. Among the refugees there were three times as many young people between the ages of 18 and 25 as in the West German population as a whole. Similarly, a disproportionate number of refugees possessed higher educational and professional qualifications. In fact, the unique feature of this migration was that it consisted of the most successful individuals rather than of failures.

The flight of many of the most able individuals was particularly critical after 1950 when the military occupation burdens became lighter and the East German economy began moving forward. It was at this time that the skills of engineers, architects, physicists, mathematicians and other highly trained individuals were in heavy demand, but the supply was far short of requirements.

The flight of millions of people to West Germany was accompanied by a huge outflow of money from East Germany. Prior to the construction of the Berlin wall in 1961, many East Germans visited West Berlin in order to purchase goods they could not obtain at home. The West Germans, in turn, obtained East German marks at fantastically low rates of exchange and used them to purchase goods in East Berlin at only half or one-third of the price they would have paid for them in West Germany. No official record of these transactions exists. But I estimated, on the basis of information given me by the owner of one of the largest chains of exchange offices, that the transfers probably amounted to 13 billion East German marks.

Any comparison of the respective developments in East and West Germany must of course include the all-important contribution of US assistance to West Germany's economic recovery. The US gave West Germany over 4 billion dollars in aid between 1945 and the terminal date of our assistance programs to Germany in 1955 (most of the aid was granted from 1948 to 1951, under the Marshall Plan). East Germany did not receive comparable aid from the Soviet Union.

I tried to measure as accurately as possible the gains and losses accruing to the two Germanies from all the relevant factors, and then I submitted the figures for study and comment to a number of West German experts. It seems to me that in any comparable study of the two Germanies, it is essential to separate

developments prior to 1950 from those of subsequent years. For, in my judgment, the tremendous losses East Germany sustained prior to 1950 made it impossible for the Communist economy to equal West Germany's performance.

My estimates of the losses incurred by the East German economy may be on the conservative side. For instance, I calculated the costs of occupation and reparations payments incurred by East Germany at 53 billion marks, while most West German experts give a higher figure of 70 billion marks. Other losses could not be included in the overall calculations because they could not be established without too great a margin of error. It was impossible, for instance, to determine the possibly catastrophic indirect losses due to the flight of highly qualified individuals who can be replaced only with difficulty, if at all. If one makes the conservative calculation that the flight of key personnel reduced East Germany's national income over the years by no more than one per cent, the loss of goods and services would be approximately six billion marks.

**(Professor Apel then details estimates of investment capital in East and West Germany, ed.).**

Proportionately East Germany lost two and a half times as much investment capital in the first four postwar years as West Germany. The loss suffered by East Germany is crucial because investment is the key to sustained economic growth in a modern industrial society.

Unless one postulates as a matter of faith that Communist rule must end in failure, a faith contradicted by the continued existence and might of the Soviet Union, there is no reason to assume that East Germany could not have rivalled West Germany in the rapidity of her economic growth had she been able to use available resources for her own development. In fact, if East Germany had not been faced with severe handicaps, I think it can be shown that she might have achieved a more rapid rate of economic growth than West Germany.

Truth, though unpleasant, must be faced up to — the sooner the better. Otherwise, a painful awakening may follow our daydreaming. First and foremost we must give up our wishful thinking about the German Democratic Republic. The economic difficulties she encountered in the postwar years are not proof that communism "just don't work". Furthermore, contrary to the assurances of Western propaganda, East Germany is not on the brink of economic catastrophe.

# "TIME" Can't Count

*The weekly US news magazine "Time" makes a fetish out of accuracy. If it misspells a name, or misattributes a quotation, you can be sure of a correction in the next issue. But this self-critical faculty comes to a sudden stop when glaring factual errors are exposed in its reporting on the socialist countries. The following illuminating exchange of letters has been placed at the disposal of GERMAN REPORT by a foreign resident of Berlin, who prefers not to be named.*

As an Italian citizen, who can move freely between West Berlin and East Berlin, I know that your statement that "prices in East Germany are about four or five times as high as in West Germany" is simply not in accordance with facts.

To check exactly I visited today big self-service stores in East Berlin and West Berlin and compared prices. There are considerable differences; most foodstuffs are in fact dearer in East Berlin — and prices are standard throughout East Germany — but the gap is generally 25 % or 50 % more, and never four or five times as much. This is not quite correct; I found that canned pineapple is in fact about four times as expensive in East Berlin, but this is scarcely a basic foodstuff.

I always thought that "Time" did careful research on its articles; in this case the research would have been extremely simple — your representative in West Berlin would simply have had to cross the border at Check Point Charlie and walk round a shop.

**"Time" replied on January 10th 1964:**

Please accept our apologies for not answering your letter on our December 6 story, "They Have Given Up Hope", sooner.

We have noted your question concerning our sources for and the correctness of our statement on comparative prices in East and West Germany. Our correspondent in Germany did extensive research for this story and, in order to assure you of the accuracy of our report, we re-queried our correspondent. He replied as follows:

"As for prices, the average East German worker earns 471 marks per month compared to a 629 west mark average for his West German counterpart. The actual buying power spread is actually much greater since one West German mark is worth at least four East German marks outside of the Zone. However, since the official Pankow rate puts the east mark on a par with the hard west mark, all comparative prices in our (previous) file were figured at this admittedly unrealistic rate of exchange. For instance, a pound of coffee which costs 40 east marks in East Germany, runs about eight to ten west marks in West Germany... a true reflection of the actual four to one ratio between the two currencies. And since Ulbricht uses a one to one rate, we did the same (without converting) and came up with prices four to five times higher in East Germany on a wide range of foodstuffs and goods which go into what's normally considered a higher living standard in the west."

We trust this explains to your satisfaction the difference between your figures and ours.

**Here is the second letter sent to "Time" on January 26th 1964:**

I do not with to point out all errors and misapprehensions in this question-begging answer. Let us get back to the point: "Time" stated on December 6th 1963 that "(food)prices in East Germany are about four to five times as high as in West Germany". When I queried this statement, your correspondent "did extensive research" and then reiterated "we came up with prices four to five times higher in East Germany on a wide range of foodstuffs". The only example quoted (correctly, incidentally) was coffee.

I cannot imagine what the "extensive research" consisted of. Today, ten minutes in a big supermarket in West Berlin and ten minutes in an equivalent supermarket in East Berlin showed me that the main staples were on sale at the following prices (quoted in West Marks for West Berlin, and East Marks for East Berlin, all quantities in metric pounds of 500 grammes, qualities roughly comparable):

| | West | East |
|---|---|---|
| Bread | 0.40 | 0.30 |
| Potatoes | 0.15 | 0.09 |
| Butter | 3.80 | 5.00 |
| Margarine | 1.00 | 1.50 |
| Sugar | 0.64 | 0.80 |
| Meat (steak) | 6.80 | 6.60 |

If that adds up to "five times higher on a wide range of foodstuffs", then I am a "Time" correspondent. I think that this outstanding case of inaccurate reporting calls for a published correction.

# BERLIN NOTEBOOK

By John Peet

The internal affairs of a journalists' association are generally of little more interest to the general public than the internal affairs of a society for the promotion of medieval music, but I feel the recent events in the "Foreign Press Association in Berlin" deserve a little airing.

Like all Berlin affairs, this one demands a bit of backgrounding. This Association has its seat in West Berlin, but membership is open to all bona fide foreign correspondents in both parts of the city. Generally speaking in the past, the cold war has been kept out of the Association, though there have been predictable flurries about the admission of "Red Chinese" journalists on one hand, and correspondents of the American-financed propaganda centre "Radio Free Europe" on the other.

Membership of the Association falls fairly neatly into three parts: Anglo-American-French correspondents; "neutral" correspondents from countries such as Switzerland and Sweden, stationed in West Berlin, and mostly only nominally neutral; and correspondents from the socialist countries together with journalists from a few Communist newspapers in the western world stationed in East Berlin.

In past years, the use of good sense and compromise has ensured that the officers of the Association have been elected on a proportional basis, and all sections have been pretty fairly represented. When elections fell due again in January this year, however, a small group of western correspondents decided the time had come to show the "neutrals" and the "reds" how western democracy works. At a private caucus meeting they took a decision: if their candidate for President (an American) were not elected, they would wreck the Association.

The elections were held, secretly and properly in accordance with the rules; and a large majority gave their votes to an unexceptionable conservative Swedish correspondent in preference to the American candidate.

The second part of the American plan immediately went into operation. When nominations were made for further offices, the Anglo-American-French conspirators declined nomination. As a result, a committee consisting mainly of "neutrals" and "reds", with a "red" majority was elected (The voting was secret, but it was obvious that many of the "westerns" voted for "reds"). As soon as the "red" majority was announced, the caucus members stated they could not stay in a meeting dominated by "reds" (whom they had helped to elect themselves), staged a walkout and left to found their own separate organisation, for which draft statutes had already been drawn up.

There, at the moment, the matter rests. For those of you who are mainly dependent on these western correspondents for your news of what is happening in Berlin, it may be of interest to note that six of these allegedly adult and responsible journalists played the schoolboy trick of voting for Khrushchov as member of their committee.

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Reading the magazine "New Yorker" years ago, I used to read the listing of interesting old films from all over the world being shown in the New York Museum of Modern Art, and envy those who could drop in to see "Dr Mabuse" or other classics when they wanted to.

For the past year I have been envious no longer, for a special cinema showing regular programmes of ancient films has been opened in Berlin. As luck has it, the cinema is just across the road from my apartment, so it is easy for me to drop in whenever I have a couple of hours to spare.

The selection of films shown is extremely catholic; apart from the real classics like "Potemkin" and "Intolerance", the cinema, run by the State Film Archives of the GDR, has dug out all sorts of other films, ranging from a dreadful Bulldog Drummond made in Britain in the 1920s to such unserious semi-classics as Bob Hope's "Road to Morocco" (1942). There is obviously some difficulty in getting copies of some of these old films, and one of the charms of going to this cinema, which is run as a film club open to members, is to guess where the copy came from. Disney's "Snow White" dubbed in French was routine; Buster Keaton's film "Our Hospitality" (1923) with titles in Serb was rather more recherché; Frederic March's "A Star is Born" (1937) won the prize. The sound track was in English throughout, but the captioning, which started out in German, suddenly and inexplicably changed to Czech half way through the film: just as the audience got used to this, the captions switched again, to Hungarian this time. I was only thankful that the film was not dubbed; you can get used to Frederic March and Janet Gaynor talking German, but if they had gone polyglot it would have been too much.

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Most readers will recall that Carl von Ossietzky was a leading German socialist and pacifist who received the Nobel Peace Prize in 1935 whilst in a nazi concentration camp, and was murdered by the nazis a few months later.

On January 22nd this year, the Social Democratic councillors in the borough council of Tiergarten moved that Ossietzky should be commemorated by naming a small park, at present called "General's Garden", after him.

The Christian Democrats opposed the motion. Their opposition was probably based on the fact that right-wing Germans still regard Ossietzky as a "traitor" because he opposed German rearmament after World War One, but warned by rows which have broken out recently when this idea has been aired publicly in West Germany, they confined their opposition to explaining that there is already an Ossietzky Street in East Berlin, and they thought that this was good enough.

And now I come to the real point of the story: a Social Democratic spokesman said that the street name in East Berlin had been tendentiously coloured by leaving out the little word "von", which signifies membership in the minor nobility. Ossietzky should be honoured with his full aristocratic title, this representative of a one-time socialist party urged. The motion was referred to committee.

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When I was young, I used to play the old card game "Happy Families", and always liked the appropriate names — Mr Bung the Brewer, for instance. These names were specially thought up for the game, but sometimes life does the same job; what could be more appropriate than the name Kilmarx for a leading official of the US Pentagon. Robert A. Kilmarx is special adviser to the Assistant Chief of Staff of US Air Force Intelligence.

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